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REPORT OF THE TRADE AND DEVELOPMENT BOARD*

Thirteenth executive session

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INTRODUCTION

1. The thirteenth executive session of the Trade and Development Board was held at the Palais des Nations, Geneva, on 8 July 1996. The executive session consisted of one meeting - the 874th plenary meeting of the Board. The agenda of the thirteenth executive session is reproduced in annex I below.

2. The main purpose of the thirteenth executive session was to enable the Board to follow up on the recommendations adopted by the United Nations Conference on Trade and Development at its ninth session, held at Midrand, South Africa, from 27 April to 11 May 1996, including the establishment of the three new Commissions and the approval of the provisional annotated agendas for their first sessions (annex III). 1/ The Board also, inter alia, approved the provisional agenda for its forty-third (regular) session, scheduled for 7-18 October 1996 (annex II).

1/ For the final document adopted by the Conference at its ninth session, see "Midrand Declaration and A Partnership for Growth and Development" (TD/377).

Chapter I

FOLLOW-UP TO THE RECOMMENDATIONS ADOPTED BY THE CONFERENCE AT ITS NINTH SESSION

(Agenda item 2)

A. Establishment of the three Commissions decided upon by the Conference

Action by the Board

3. At its 874th meeting, on 8 July 1996, the Trade and Development Board, acting in accordance with paragraphs 108 and 112 of the final document adopted by the Conference at its ninth session, 2/ established the following Commissions as subsidiary bodies of the Board:

Commission on Trade in Goods and Services, and Commodities

Commission on Investment, Technology and Related Financial Issues

Commission on Enterprise, Business Facilitation and Development

B. Approval of the draft provisional agendas for the first sessions of the Commissions

4. For its consideration of this matter, the Board had before it a document entitled "Draft provisional agendas for the first sessions of the Commissions submitted by the President of the Board" (TD/B/EX(13)/L.2). The document had been submitted as the result of informal consultations of the President conducted in preparation for the thirteenth executive session of the Board.

1. Commission on Trade in Goods and Services, and Commodities

(Commission 1)

5. The President stated that, in the informal consultations, an understanding had been reached that the Commission would hold its first session in two parts, each part for a period of two and a half days. The split in the first session was to cater for a unique situation in 1996 and would not constitute a precedent for the work of the Commission. At the first part in November 1996, the Commission would take up item 3 of its agenda, and at the resumed first session, in February 1997, it would take up item 4.

6. In that regard, it had also been agreed that the UNCTAD secretariat would prepare an analytical paper on environmental aspects of trade for the second part of the first session of Commission 1, but that it would make the paper available also to the first part of the session in November. The paper should essentially deal with current environmental matters, particularly as they related to development, on the understanding that it would not be subject to

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2/ Ibid. The final document also outlines, in paras. 109-111, the respective areas of work to be dealt with by the three Commissions.

discussion or comments during the first part of the session, but would rather serve for national preparations for the second part of the session to be held early in 1997.

7. In connection with the work of Commission 1, the President recalled that an understanding had also been reached that an executive session of the Board be convened in the first quarter of 1997 with a view to discussing issues arising in the wake of the World Trade Organization (WTO) Ministerial Meeting to be held in Singapore in December 1996.

8. The representative of Bulgaria recalled that, in paragraph 91 of the Midrand final document, the Conference had confirmed the UNCTAD mandate in assisting the economies in transition to integrate fully into the world economy. He observed, however, that the annotations to the provisional agenda for Commission 1 did not reflect the consensus reached at UNCTAD IX on that aspect. He therefore proposed that, in keeping with paragraph 91 of the Midrand document, a new sentence be inserted after the second sentence of the annotation to agenda item 3, as follows: "In this respect, the specific interests of the economies in transition should be taken into account."

9. The representatives of Belarus and the Russian Federation supported the Bulgarian proposal to bring the annotation into line with paragraph 91 of the Midrand final document. The representatives of Morocco, Egypt and Hungary, however, stated their preference for leaving the text as it stood, since it was the outcome of a lengthy consultation process.

10. The representative of France pointed out that, whereas the provisional agendas for Commissions 2 and 3 made appropriate reference to the least developed countries (LDCs), annotations for Commission 1 made no such reference. In view of the cross-sectoral approach now being taken to work on the LDCs, he felt that the omission in the annotations for Commission 1 should be rectified.

11. The President appealed to the Board to approve the annotated provisional agenda for Commission 1 without amendment, on the understanding that the secretariat would take fully into account the points raised by Bulgaria and France in executing the work on the substantive items.

12. Regarding the analytical paper to be prepared on the environmental aspects of trade, the representative of Egypt said that, if the paper were made available to Commission 1 at the first part of its session in November, it would need to be updated for the resumed session in February 1997 in the light of the WTO Ministerial Meeting. For his part, the representative of Argentina considered that the paper should deal with all the issues detailed in paragraph 91 (iv) of the Midrand final document, except for the item which was on the agenda of the WTO Committee on Environment and Trade, where an effort should be made to avoid superimposing UNCTAD work on the work of WTO.

Action by the Board

13. Having noted the above comments and understandings, the Trade and Development Board approved the draft provisional agenda and annotations for the first session of the Commission on Trade in Goods and Services, and Commodities (Commission 1), as set out on page 2 of TD/B/EX/L.2. 3/

3/ For the provisional annotated agenda of Commission 1, see annex III, A.

2. Commission on Investment, Technology and Related Financial Issues

(Commission 2)

14. The President recalled that agreement had been reached on the draft provisional agenda in the informal consultations on the understanding that the Chairman of the Experts Meeting which would prepare the report for item 4 would be invited to attend the first session of the Commission in order to engage in a questions-and-answers session with delegations. He also drew attention to the fact that the spokesman for the European Union had voiced the concern that members of the Union might not be able to enter into an in-depth policy debate if their experts were not participating in the Commission.

Action by the Board

15. Having noted the above understandings, the Trade and Development Board approved the draft provisional agenda and annotations for the first session of the Commission on Investment, Technology and Related Financial Issues (Commission 2), as set out on page 3 of TD/B/EX(13)/L.2. 4/

Related action in connection with the proposed new Intergovernmental Group of Experts on Competition Law and Policy

16. Having noted a brief statement by the President recalling that the Third United Nations Conference to Review All Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices (Geneva, 13-21 November 1995) had adopted a resolution in which, inter alia, it recommended that the General Assembly change the title of the Intergovernmental Group of Experts on Restrictive Business Practices to that of Intergovernmental Group of Experts on Competition Law and Policy, the Trade and Development Board endorsed the agreement reached in the informal consultations that the President of the Board should communicate, on behalf of the Board, a statement to New York to the effect that the Board welcomed the outcome of the Third Review Conference.

17. In that connection, the representative of Ireland, speaking on behalf of the European Union, said that steps must be taken to ensure that the resolution due to be adopted by the General Assembly on that matter was in strict conformity with the institutional arrangements agreed upon by the Conference at its ninth session.

3. Commission on Enterprise, Business Facilitation and Development

(Commission 3)

18. The President recalled that, in the informal consultations, delegations commenting on the annotations on items 3 and 4 had observed that the annotations should be more precisely focused in future. They also felt that, when those items were taken up by the Commission, a review should be undertaken of the work to be done in the future and that the documentation prepared for those two items should also include in it the proposed future work programme of the Commission.

4/ For the provisional annotated agenda of Commission 2, see annex III, B.

Action by the Board

19. Having noted the above understandings, the Trade and Development Board approved the draft provisional agenda and annotations for the first session of the Commission on Enterprise, Business Facilitation and Development (Commission 3), as set out on pages 4 and 5 of TD/B/EX(13)/L.2. 5/

5/ For the provisional annotated agenda of Commission 3, see annex III, C.

Chapter II

PROVISIONAL AGENDA FOR THE FORTY-THIRD SESSION OF THE TRADE AND DEVELOPMENT BOARD

(Agenda item 4)

20. For its consideration of agenda item 4, the Board had before it the following document:

> "Provisional agenda for the forty-third session of the Trade and Development Board: draft provisional agenda submitted by the President of the Board" (TD/B/EX(13)/L.1).

21. Introducing the item, the President recalled the understandings which had been reached in the President's informal consultations in connection with some of the items on the provisional agenda, as follows:

> (a) With regard to item 2 (Segment for high-level participation; substantive policy item: foreign direct investment and development in a globalizing world economy), the one-day informal high-level segment would take place on 10 October 1996. At the beginning of the day a panel, consisting of ministers and corporate executives, would be held to introduce the topic. The segment could focus on the following three topics:
>
> (1) Trends in foreign direct investment, in particular to LDCs, their determinants and impediments, and policy implications for the promotion of foreign direct investment;
>
> (2) Interrelationships between investment, trade and technology, and implications for development;
>
> (3) Examination and review of existing agreements, identification and analysis of issues relevant to a possible multilateral framework on investment and implications for development.
>
> At the end of the same day, a panel would take place consisting of heads of relevant intergovernmental bodies and their secretariats.
>
> (b) With regard to item 5 (UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s and the role of UNCTAD in the implementation of the United Nations System-wide Special Initiative on Africa), since the mid-term review would be taking place in New York some time in September 1996, the secretariat would be requested to prepare a conference room paper giving an update on the outcome of the mid-term review.
>
> (c) With regard to item 6 (Review of technical cooperation activities of UNCTAD), in addition to the review of technical cooperation activities undertaken in 1995, the Board was expected under that item to receive from the secretariat information on overall developments in UNCTAD technical cooperation, including cooperation with other organizations and trends in the mobilization of resources, as well as preliminary proposals to enable the Trade and Development Board to take action pursuant to section II,E of the UNCTAD IX final document, with particular reference to paragraph 96

thereof. It was also expected that, prior to the session of the Board in October, informal consultations of the Secretary-General would be held on that aspect of the follow-up to the Midrand outcome.

(d) With regard to item 7 (b) (Improving the participation of developing countries' experts in UNCTAD meetings, including the question of financing their participation), the secretariat would be requested to prepare an information compendium on United Nations system-wide organizations, with particular reference to Geneva-based ones, to ascertain how the participation of experts was financed in their meetings, particularly experts from developing countries. That information would be made available to delegations in advance of the forty-third session of the Board to enable informal consultations in September to prepare the discussion of the Board on that item.

(e) With regard to item 8 (b) (Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its twenty-ninth session), it was proposed that reports of future sessions of that body be taken up at an executive session of the Board.

(f) With regard to item 10 (Other business), the secretariat was requested to include in the agenda annotations under that item a reference to the fact that delegations would wish to discuss at the forty-third session of the Board the review of the UNCTAD publication policy (in line with para. 107 (a) of the Midrand final document) and the coordination and cooperation of UNCTAD with other organizations and institutions (para. 99 of the Midrand final document). It was also understood that the secretariat would prepare documentation on those two issues and that, prior to the session of the Board, they be included in the informal consultations of the Secretary-General.

Action by the Board

22. Having taken note of the above understandings, the Trade and Development Board approved the draft provisional agenda for its forty-third session submitted by the President of the Board (TD/B/EX(13)/L.1). 6/

6/ For the provisional agenda, see annex II.

Chapter III

OTHER BUSINESS

(Agenda item 5)

A. Report of the Working Party on the Medium-term Plan and the Programme Budget on its twenty-seventh session

23. The President recalled that the Working Party on the Medium-term Plan and the Programme Budget had held its twenty-seventh session from 17 to 19 June 1996 to review the proposed United Nations medium-term plan for the period 1998-2001. The report was before the Board in document TD/B/43/2-TD/B/WP/96, annexed to which was a decision and a Chairman's summary, together with the proposed amendments to the plan. Owing to the proximity of the review of the medium-term plan by the Committee for Programme and Coordination (CPC) in New York and the session of the Working Party in Geneva, the amendments to the plan had already been transmitted to CPC.

24. The representative of Mongolia, commenting on the fact that the UNCTAD programme of the United Nations medium-term plan for 1998-2001 envisaged that the work of the land-locked developing countries would come under subprogramme 9.4 (Services infrastructure for development and trade efficiency), proposed that landlocked countries' issues should be viewed in a more comprehensive economic context than was provided for in subprogramme 9.4. He therefore requested that the necessary revision should be made to the text of programme 9 so that landlocked countries would be dealt with under subprogramme 9.5 (Least developed countries). That would be in line with paragraph 113 of the final document of UNCTAD IX which laid down that "the responsible entity in the secretariat of UNCTAD for the least developed, land-locked and small island developing countries should be shaped, staffed and equipped to allow it to coordinate the sectoral work, monitor the implementation of the Paris Programme of Action and other relevant United Nations programmes of action and provide inputs for the Trade and Development Board."

25. The representatives of Nepal and Uganda supported the proposal made by Mongolia.

26. The President observed that those concerns had already been made known to CPC and that the matter was now in the hands of the General Assembly.

Action by the Board

27. The Trade and Development Board took note of the report of the Working Party on the Medium-term Plan and the Programme Budget on its twenty-seventh session and of the statements made thereon.

B. Other issues with regard to the implementation of UNCTAD IX

28. Referring to some other issues indicated in the secretariat's informal working paper of 10 June 1996 for action to be taken with regard to the implementation of UNCTAD IX, the President said it was his understanding that the Board would not be in a position to discuss those matters at its present thirteenth executive session. It was therefore proposed that those issues

indicated in the secretariat paper be taken up in September 1996 in the consultations of the President and the Bureau or in the consultations of the Secretary-General of UNCTAD, with a view to preparing the necessary decisions on them.

Action by the Board

29. The Trade and Development Board agreed to the above proposal by the President.

Chapter IV

CLOSING STATEMENTS

30. The spokesman for the Latin American and Caribbean Group (Cuba) said that the countries members of his Group wished to reaffirm their full support for the agreements adopted by consensus at UNCTAD IX, as set out in the Midrand Declaration and A Partnership for Growth and Development, which confirmed the political will of the international community to give fresh impetus to that important United Nations forum for development. The thirteenth executive session of the Board, including the preparatory consultations, had enabled delegations to take a series of decisions to set in motion the new institutional mechanisms and hence face up to the UNCTAD IX agreements. His Group welcomed the decision to hold a high-level segment on investment at the forty-third session of the Board and hoped that all member countries would make every effort to ensure the highest level of representation possible. That would promote a broad and in-depth debate that would give a clearer view of the implications and projections of foreign direct investment, and show how to make sure that foreign direct investment contributed effectively to the development of the developing countries. He trusted that the secretariat would make suitable organizational arrangements for the high-level segment, including the convocation of participants as soon as possible.

31. One item on the agenda of the forty-third session of the Board to which the Latin American and Caribbean Group attached particular importance was the question of financing for the participation of developing countries' experts in relevant UNCTAD meetings (item 7 (b)). Arrangements for meeting that demand could be delayed no longer, and it should be viewed as an effective measure for ensuring a fuller contribution by developing countries to the work of UNCTAD.

32. His Group fully endorsed the mandates granted to the three new Commissions. Regarding the Commission on Trade in Goods and Services, and Commodities (Commission 1), his Group considered that the trade and environment issues were well focused and would lead to good results. In that context, it would be necessary to deal in the near future with the structuring of the rules on services in relation to the ongoing work in WTO. Another important issue in the future work of UNCTAD was that of competition policies, including consumer protection, which was cross-sectoral in nature and should therefore receive all the necessary institutional support.

33. For some time now, the Latin American and Caribbean Group had been emphasizing the great importance it attached to the technical assistance provided by the UNCTAD secretariat. It was imperative that that assistance should be universal in character and able to reach the countries that needed it, including the small and vulnerable economies of his own region. A relevant positive case had been the recent publication by the secretariat of a prototype model for the establishment of an import/export bank (UNCTAD/ECDC/256). That was a good example of the type of work which the countries of his Group expected from UNCTAD, for it promoted an exchange of experience and cooperation among the developing countries themselves.

34. The spokesman for the Asian Group (Nepal) said that the Group had taken part in the informal consultations in a spirit of accommodation and compromise and with a view to reaching a consensus. The Group had tabled some constructive proposals on the draft agenda items for the forty-third regular session of the Board and the first sessions of the Commissions and he was glad that some of

those proposals had now been included. In an effort to move forward, the Asian Group had not pursued some of the other proposals, in particular the following two issues:

(a) First, the Asian Group had proposed "Finance for development" as the theme for the high-level segment of the Board, since it felt strongly that the whole issue of resource gap for the development effort of the developing countries, especially the LDCs - of which foreign direct investment was but a part - should be discussed by the high-level segment. However, the Group had decided to respect the views of the majority and to focus on foreign direct investment and development that year. But since the issue of finance for development was of critical importance to developing countries and remained relevant for UNCTAD, it should be discussed in an appropriate forum, i.e. the Board or the relevant Commission in 1997. The Asian Group had noted with appreciation the positive response of many countries during the informal consultations regarding the imperativeness of a discussion on that issue within UNCTAD next year.

(b) Second, the Asian Group had felt that it would be necessary to convene the Commission on Trade in Goods and Services, and Commodities in 1996, as the Commission could contribute greatly to the WTO Ministerial Meeting in Singapore. Again, with a view to reaching a consensus, and on the clear understanding that that would not set a precedent, the Asian Group had agreed to hold the first session of the Commission in two parts. It had also agreed, despite some difficulty on the part of some of its members, to discuss proposed agenda item 3 at the first part of the session in November 1996 and agenda item 4 at the second part of the session in January/February 1997. However, the documentation prepared by the secretariat for both agenda items should be available at the time of the first part of the session in November 1996. The secretariat could prepare a short addendum reflecting the post-Singapore situation regarding agenda item 4 for the second part of the session in January/February.

35. The Asian Group also wished to voice its concern regarding the divergent views on the UNCTAD year. UNCTAD had always worked on the basis of the calendar year and not the "Board-to-Board" year. No decision to the contrary had been taken at Midrand. In fact it had not even been discussed there. Hence it was the view of his Group that the past practice should continue. A switch to the Board-to-Board year would mean that one whole work year would be lost. That was not at all desirable, and his Group supported very strongly the continuation of work in UNCTAD on the basis of the calendar year.

36. In the context of the new intergovernmental machinery that would be functioning very soon, he emphasized that, although the LDCs issue would henceforth be considered throughout the intergovernmental machinery, as agreed at UNCTAD IX, the responsible entity in the UNCTAD secretariat for the least developed, landlocked and small island developing countries should be shaped, staffed and equipped as early as possible to allow it to coordinate the sectoral work, to monitor the implementation of the Paris Programme of Action and other relevant United Nations programmes of action, and to provide inputs for review by the Board.

37. Reiterating the Asian Group's position on the need for financing the participation of experts from developing countries in expert meetings, he said that now that the number of expert meetings had been limited to 10 in a year, it was important to ensure that developing countries benefited fully from such meetings. That could be done by financing the participation of a certain number of experts from developing countries to each expert meeting. The secretariat

should therefore carry out the necessary studies to enable the Board to take up the matter at its next regular session and reach a favourable decision.

38. The spokeswoman for the African Group (Kenya) said that, in the view of her Group, the provisional agenda for the forty-third session of the Board was well balanced. It was important that the first regular session of the Board to be held in the wake of UNCTAD IX should address some of the issues that were vital to Africa. For although growth in Africa had recovered slightly to around 3 per cent in 1995, most countries were adversely affected by the decline in the prices of their export commodities, while some were also beset by civil wars and political uncertainty. The food security situation in the continent was also causing concern, as the harvests in most of the sub-Saharan countries had been reduced by drought or unreliable rainfall. That had meant increased reliance on food imports to stave off famine. The continued slowdown in net aid disbursements was also a growth-depressing factor, coupled with the burden of debt repayments which remained excessive. Yet again, Africa's economic growth and its share of world trade had not kept pace with its population growth, with the result that real incomes had not improved.

39. To create an enabling environment for attracting foreign direct investment, most of the African countries had undertaken far-reaching economic reform measures. Unfortunately, those measures had not been matched by increased foreign direct investment. The substantive policy item on foreign direct investment and development in a globalizing world economy was therefore of great interest to Africa. For the subject to receive fair treatment, participating ministers and corporate executives must be drawn from a geographical distribution that was representative of the UNCTAD membership.

40. The African Group was happy to see the inclusion of agenda item 5 (UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s and the role of UNCTAD in the implementation of the United Nations System-wide Initiative on Africa) and noted that the secretariat would be preparing a paper which would give an update of the Mid-term Review to be undertaken in New York in September 1996.

41. On the issue of technical cooperation, she expressed satisfaction at the programmes being drawn up by the UNCTAD secretariat in conjunction with other international organizations. A seminar on WTO and the Uruguay Round results, which had just opened in Nairobi, was part of an integrated technical assistance programme undertaken jointly by WTO, UNCTAD and International Trade Centre UNCTAD/WTO (ITC). She hoped that the programme would be extended to all African countries.

42. With regard to the new Commissions and the agendas selected for their first sessions, the African Group supported the proposals put forward, considering that those priority policy issues which could not be addressed during the first sessions would no doubt be accommodated at future sessions of the Commissions. Furthermore, the African Group supported the idea of convening, in the first quarter of 1997, an executive session of the Board to discuss issues that would emanate from the WTO Ministerial Meeting in Singapore.

43. Finally, she noted that a number of issues to be considered at the forty-third session of the Board would be the subject of consultations prior to the session. Her Group hoped that arrangements would be made to cater for non-English-speaking delegations so that they too could participate effectively.

44. The representative of Ireland, speaking on behalf of the European Union, expressed the view that the priority items for the three new Commissions must be geared to the special needs of developing countries, particularly the LDCs, be action-oriented and focus on development issues. In addition, the work of the Commissions should, whenever possible, pay special attention to analysing and exchanging successful development experiences and drawing lessons from them. In general, the agendas of the Commissions should always be designed to facilitate the attendance of the relevant policy makers. In that regard, the splitting of the first session of one of the Commissions into two parts should not constitute a precedent for the future. Each Commission should also plan and organize its work and give clear direction to the secretariat. Given the tightly structured nature of the new intergovernmental machinery of UNCTAD and the limits on the number and duration of meetings, it would be essential to ensure that the Commissions were well prepared and used their time efficiently and effectively. That would mean concentration on a limited number of topics aimed at facilitating the participation of developing countries in the international trading system. A key element in the future success of the Commissions would be well-prepared and timely documentation that made full use of the analytical capacity of UNCTAD and focused on the topics under discussion.

45. The Commission would have to give careful consideration to the convening of expert meetings. Such meetings would require precise terms of reference from their parent Commissions and should contribute useful expert advice which would assist the Commissions in their consideration of policy issues. A clear distinction must be maintained between the policy work of the Commissions and the technical matters discussed at expert meetings.

46. As for the forty-third session of the Board in October, the European Union expected to see the preparations for the session conducted in a transparent manner and with the participation of all the member States. The Union also looked forward to receiving timely documentation in all the United Nations languages.

47. Regarding the substantive policy segment of the Board, the European Union believed that the proposals just agreed upon formed the basis for a useful policy debate on foreign direct investment and development. He noted with pleasure the envisaged participation in that segment of major figures from the private sector who had relevant experience of investing in developing countries. Their contribution was a welcome innovation which would greatly facilitate the debate on an issue of central importance to the developing countries.

48. In the management area, it was essential for the Board to have the opportunity to review the publications policy of UNCTAD and to discuss its cooperation and coordination with other international bodies.

49. Finally, the European Union considered that the UNCTAD calendar of meetings must be balanced between meetings of experts and their parent Commissions. The meetings of the Commissions must be well spaced between the annual meetings of the Board. It was the responsibility of the Commissions to convene expert meetings. Any departures from that important Midrand provision must be justified and designed to facilitate the effective work of the Commissions. Underpinning the Union's consideration of the calendar were the time constraints placed on the intergovernmental machinery and the consequent need to have a calendar which made optimum use of the time available.

50. The representative of the Russian Federation said that the final document adopted at UNCTAD IX showed that it was possible to reach an in-depth consensus

on the issues dealt with by UNCTAD. The careful wording of the Midrand document should be faithfully reflected in any documents that were adopted at subsequent intergovernmental meetings in UNCTAD.

51. He expressed the wish to see the documents for the forty-third session of the Board, especially the World Investment Report 1996 and the Trade and Development Report 1996, made available in the near future, both to missions in Geneva and to national capitals, to enable delegations to make serious preparations for the session.

52. Finally, his delegation took a positive view of the steps which the Secretary-General of UNCTAD had taken to reorganize the secretariat and hoped that the Secretary-General would be able to share his views on that matter with delegations in the near future.

53. The representative of China recalled that, in accordance with the provisions of the Midrand final document, UNCTAD was called upon to ensure the developing countries' participation in world trade on a more equitable basis. His delegation hoped that the new spirit of cooperation would lead to a change in the status of developing countries in the world economy between now and UNCTAD X. For that to happen, UNCTAD should spend less time on procedural matters and more on matters of substance. He noted with satisfaction that the provisional agendas just approved for the forty-third session of the Board and the new Commissions reflected the tasks assigned by the Conference at its ninth session. As for the documentation for the forthcoming meetings, it was important that the documents should be made available in good time, including the Chinese versions which would be needed for preparatory work in Beijing.

54. The representative of Hungary, referring to the arrangements made for the informal consultations leading up to the thirteenth executive session of the Board, expressed his delegation's appreciation for the possibilities provided for delegations that were not represented in the geographical groupings to express their views in the early phase of the process. He hoped that that practice would prove to be the normal way of conducting business in the wake of UNCTAD IX. The informal process should result not only in the proper involvement of the interested delegations in the preparatory process but also in the avoidance of the introduction of new ideas in the plenary sessions.

55. The representative of the Republic of Korea said that, in facing the even harder task of implementing what had been agreed upon at UNCTAD IX, UNCTAD must be more productive and competitive. To achieve that goal, highly prioritized and organizational agendas would be a basic requirement for successful meetings under the new system. The provisional agendas just approved for the forty-third session of the Board and the first sessions of the Commissions were excellent and he welcomed in particular the discussion on item 3 of the Board agenda, to which his country attached considerable importance. The Republic of Korea was especially interested in sharing development experiences among developing countries, as the Foreign Minister of the Republic of Korea had emphasized in Midrand. Indeed, item 3 could cover a wide range of issues of global economy and development.

56. The spokesman for Group B (United Kingdom of Great Britain and Northern Ireland) said that, since it would be the first regular session to be held since UNCTAD IX, which he hoped marked the renaissance of UNCTAD, the forty-third session of the Board in October could well be one of the most important of all Board meetings. It was therefore essential to ensure that the session was well prepared, for the manner in which it was conducted and the results it achieved

would be crucial. The preparation must be undertaken in an open and fully transparent way, with the involvement of all interested member States. The challenges and provisions of the Midrand final document still had to be translated into action for the well-being of the countries that should really benefit from UNCTAD activities. If the challenge was picked up, the hard work would all have been worth while. But if, despite the new circumstances, the international community was unable to think anew and act anew, it would be guilty of letting slip a great opportunity to make of UNCTAD a relevant and useful body, and would betray those who could benefit from a renewed UNCTAD. He cautioned that the lessons of the past did not naturally point to success. Success would require all countries to discard several old habits and to work together in a spirit of cooperation. Group B countries stood ready to play their full part.

57. The representative of Japan observed that the Midrand final documents provided a broad framework for the work of UNCTAD in the years ahead. But the very breadth of scope of that framework meant that more concrete action, based on a step-by-step approach, would be necessary, in particular drawing on the successful experiences of developing countries. The work must be focused in a realistic and practical sense, and should be neither over-ambitious nor simply a repetition of the words and formulas of the past. The international community must keep moving forward steadily to secure constructive and meaningful results through expert analysis and dialogue based on real partnership, with a view to further integrating developing countries into the world economy, taking account of the special problems of the LDCs.

58. The representative of Switzerland said that his authorities were of the view that the Board had made a good start to the task of implementing the results of UNCTAD IX. His country supported the Secretary-General of UNCTAD in his difficult and complex task of restructuring the secretariat to bring it into line with the final provisions of UNCTAD IX and to prepare it for an efficient delivery of the work programme negotiated at Midrand. The promise of Midrand must now be translated into everyday matters to ensure a lasting reinvigoration and rejuvenation of UNCTAD. To succeed in that task, close cooperation was needed among all delegations and with the secretariat, in the spirit of the Midrand Declaration and A New Partnership for Growth and Development.

59. The representative of Norway, referring to the consultations on the provisional agendas for the first sessions of the Commissions, said that, while recognizing the need to adhere to the language agreed upon in Midrand, his delegation had been a little worried about the focus in certain agenda items, and particularly in the annotations. To some extent, however, the concerns of Norway had been met and his delegation considered that there was now a useful basis for the first sessions of the three Commissions. As for the high-level segment of the forty-third session of the Board, his Government had, in the light of today's planning, indicated its wish to be represented at ministerial level at the high-level segment. Finally, his delegation joined with the European Union in wishing to know something about how the member States' responses to UNCTAD involvement in some of the experts meetings would be reflected in the future planning of those meetings.

60. The Secretary-General of UNCTAD observed that, less than two months after the close of the ninth session of the Conference, UNCTAD had already honoured the commitment to begin without delay the process of implementation. The secretariat had taken note with great attention of the comments made during the thirteenth executive session on several aspects of the future work. Change was a never-ending process. A good start had been made: it was now necessary to

move ahead to the achievement of substantive results. Progress was being made on many fronts such as, for example, the incorporation of the private sector in the high-level segment of the Board that would discuss foreign investment. For its part, the secretariat would continue - in the matter of restructuring, documentation and preparatory work - to deliver and to meet all the expectations placed in it so far.

Chapter V

ORGANIZATIONAL MATTERS

A. Opening of the session

61. The thirteenth executive session of the Trade and Development Board was opened on 8 July 1996 by Mr. Jacob Selebi (South Africa), Vice-President of the Board. In the absence of the President of the Board, Mr. William Rossier (Switzerland), Mr. Selebi presided over the thirteenth executive session.

B. Bureau of the thirteenth executive session

62. There being no change in the elected officers of the Bureau since the twelfth executive session, the Bureau of the thirteenth executive session was as follows:

President: Mr. William Rossier (Switzerland)

Vice-Presidents: Mr. Youri Afanassiev (Russian Federation)
Mr. Munir Akram (Pakistan)
Ms. Kristie Kenney (United States of America)
Mr. Antonio E. Marziota Delgado (Cuba)
Mr. Toshio Tsunozaki (Japan)
Mr. Sirous Nasseri (Islamic Republic of Iran)
Mr. Javier Paulinich (Peru)
Mr. Henri Reynaud (France)
Mr. Jacob S. Selebi (South Africa)
Mrs. Appolonie Simbizi (Burundi)

Rapporteur: Mr. Jan Piotrowski (Poland)

C. Adoption of the agenda

(Agenda item 1)

63. At its 874th meeting, on 8 July 1996, the Board adopted the provisional agenda for its thirteenth executive session, as contained in section I of TD/B/EX(13)/1. (For the agenda, see annex I below.)

D. Membership of the Trade and Development Board

64. At the 874th meeting, on 8 July 1996, the President stated that the Secretary-General of UNCTAD had received an official communication indicating that the Republic of Slovenia wished to become a member of the Trade and Development Board.

Action by the Board

65. The Trade and Development Board agreed to grant membership to the Republic of Slovenia under the provisions of paragraph 5 of General Assembly resolution 1995 (XIX), as amended. The Board noted that, with the addition of Slovenia, the membership of the Board now stood at 144.

E. Review of the calendar of meetings

(Agenda item 3)

66. For its consideration of this agenda item, the Board had before it a note by the UNCTAD secretariat entitled "Draft calendar of meetings for the remainder of 1996 and a draft indicative calendar for 1997" (TD/B/EX(13)/CRP.1), which had been prepared following informal consultations of the President.

67. Introducing the item, the President proposed that the Board should not enter into detailed discussion of the calendar at that stage and that it should approve it for planning purposes, on the understanding that the calendar would be reviewed in informal consultations of the Bureau in September 1996 before the Board approved and amended it at its forty-third session. The secretariat would also take into account the comments made by delegations in the informal consultations with regard to preparation of documents and avoidance of overlap with major meetings within and outside the Palais. In addition, the calendar would allow for four days of informal consultations for the month of September 1996 for the President of the Board and the Bureau and four days of informal consultations, also in September, for the Secretary-General of UNCTAD. The calendar should also include provision for regional group meetings.

68. The representative of Ireland, speaking on behalf of the European Union, recalled that the Secretary-General of UNCTAD had addressed a letter to States members of UNCTAD, dated 19 March 1996, to ascertain their views on whether to convene the Preparatory Committee for the Review Conference on the United Nations Convention on a Code of Conduct for Liner Conferences (currently scheduled for 26-28 November 1996). The view of the European Union was that there were no issues that needed to be dealt with at this time. Accordingly, before the Board agreed to convene the Preparatory Committee, he called on the secretariat to state what had been the collective response of the member States to the Secretary-General's letter.

69. The Secretary of the Board said that the secretariat would make available the information requested as soon as possible. In the light of that information, the Bureau consultations to be held in September would be able to take a decision on whether to maintain the inclusion of the Preparatory Committee in the calendar of meetings for the remainder of 1996.

Action by the Board

70. Subject to the above understandings, the Trade and Development Board approved the draft calendar of meetings contained in TD/B/EX(13)/CRP.1.

F. Report of the Board on its thirteenth executive session

(Agenda item 6)

71. At the close of its 874th plenary meeting, on 8 July 1996, the Trade and Development Board authorized the Rapporteur, under the authority of the President, to prepare the report of the Board on its thirteenth executive session.

ANNEXES

Annex I

AGENDA FOR THE THIRTEENTH EXECUTIVE SESSION*

1. Adoption of the agenda.

2. Follow-up to the recommendations adopted by the Conference at its ninth session.

3. Review of the calendar of meetings.

4. Provisional agenda for the forty-third session of the Trade and Development Board.

5. Other business.

6. Report of the Board on its thirteenth executive session.

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* As adopted by the Board at its 874th meeting, on 8 July 1996 (see para. 63 above).

Annex II

PROVISIONAL AGENDA FOR THE FORTY-THIRD SESSION
OF THE TRADE AND DEVELOPMENT BOARD*

1. Procedural matters:

   (a) Election of officers;

   (b) Adoption of the agenda and organization of the work of the session;

   (c) Adoption of the report on credentials;

   (d) Provisional agenda for the forty-fourth session of the Board.

2. Segment for high-level participation; substantive policy item: Foreign direct investment and development in a globalizing world economy.

3. Interdependence and global economic issues from a trade and development perspective: Rethinking development strategies; some lessons from East Asian development experience.

4. Programme of Action for the Least Developed Countries for the 1990s:

   (a) Review of implementation of the Programme of Action for the Least Developed Countries for the 1990s;

   (b) UNCTAD's contribution to the work of relevant international organizations in the implementation of the Uruguay Round Final Act Decision on Measures in Favour of the Least Developed Countries by assisting the LDCs that are WTO members to take maximum advantage of the special and differential measures provided for in the Uruguay Round Agreements.

5. UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s and the role of UNCTAD in the implementation of the United Nations System-wide Special Initiative on Africa.

6. Review of technical cooperation activities of UNCTAD.

7. Matters requiring action by the Board in follow-up to the ninth session of the Conference and arising from or related to reports and activities of its subsidiary and other bodies:

   (a) Report of the Secretary-General of UNCTAD on preparations for a meeting with actors in development;

   (b) Improving the participation of developing countries' experts in UNCTAD meetings, including the question of financing their participation.

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* As approved by the Board at its 874th meeting, on 8 July 1996 (see para. 22 above).

8. Other matters in the field of trade and development:

   (a) Progressive development of the law of international trade: twenty-ninth annual report of the United Nations Commission on International Trade Law;

   (b) Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its twenty-ninth session.

9. Institutional, organizational, administrative and related matters:

   (a) Review of the lists of States annexed to General Assembly resolution 1995 (XIX);

   (b) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board;

   (c) Designation and classification of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board;

   (d) Review of the calendar of meetings;

   (e) Administrative and financial implications of the actions of the Board.

10. Other business.

11. Adoption of the report of the Board on its forty-third session.

Annex III

PROVISIONAL ANNOTATED AGENDAS FOR THE FIRST SESSIONS OF THE THREE COMMISSIONS

A. Commission on Trade in Goods and Services, and Commodities

(Commission 1)

1. Election of officers.

2. Adoption of the agenda and organization of work.

3. Enabling countries to respond to the opportunities arising from the Uruguay Round Agreements so as to derive maximum available benefit by: analysing the impact of the Uruguay Round Agreements on development and enhancing capacities for participation in the multilateral trading system

   This item would permit an examination of the current trading opportunities and challenges facing developing countries and the impact of the Uruguay Round Agreements on their development. Trading opportunities of developing countries in goods and services and their integration into the world economy will also be influenced to an important extent by the ability of these countries to participate more fully in the multilateral trading system. This issue will focus on enhancing national capacities in terms of human resources and administrative infrastructures, to enable countries to adjust effectively to meet their obligations and to take advantage of their rights under the multilateral trading system, as well as with the assistance provided to countries in the process of accession to WTO. The secretariat report to this session should include possible ways of strengthening capacities for participating in the multilateral trading system.

4. Integrating trade, environment and development: recent progress and outstanding issues

   Consistent with the UNCTAD IX mandate, the Commission should analyse the situation four years after the Rio Conference, particularly with regard to the issues identified in paragraph 91(iv) of the UNCTAD IX document.

5. Provisional agenda for the second session of the Commission and any necessary preparation through expert meetings.

6. Other business.

7. Adoption of the report of the Commission.

B. Commission on Investment, Technology and Related Financial Issues

(Commission 2)

1. Election of officers.

2. Adoption of the agenda and organization of work.

3. Developments in international investment: interaction between investment and trade and its impact on development

   Against the background of global and regional foreign direct investment trends and on the basis of an analysis of the interrelationships between foreign direct investment and trade, the Commission will discuss national and international policy measures designed to increase the contribution of foreign direct investment to development, including especially measures to encourage foreign direct investment flows to developing countries, especially LDCs. To facilitate the discussion, the report on this item summarizes the information in the World Investment Report 1996.

4. Issues related to competition law of particular relevance to development.

   The Commission will focus on examining issues related to the subject: continuing analytical work on restrictive business practices and assistance in formulating competition policies and legislation. To facilitate the discussion, experts will prepare a report.

5. Reports requiring the attention of the Commission.

   Under this item, consideration would be given to the report of the UNCTAD secretariat on the activities of the programme and to the report of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting.

6. Provisional agenda for the second session of the Commission and any necessary preparation through expert meetings.

7. Other business.

8. Adoption of the report of the Commission.

C. Commission on Enterprise, Business Facilitation and Development

(Commission 3)

1. Election of officers.

2. Adoption of the agenda and organization of work.

3. Enterprise: issues relating to an enterprise development strategy

   The new dynamics of production and of enterprise development engendered by globalization, liberalization and technological change

have focused attention on the need for developing and other countries to adopt a comprehensive and coherent national strategy for enterprise development, with a particular focus on small- and medium-sized enterprises (SMEs), that will enable them to build up their enterprises as an essential instrument of development and of their enhanced participation in the world economy. While such a strategy is important for countries at all levels of development, it is particularly important for least developed countries which lack a mature enterprise or SME sector and which need to build up such a sector. Attention will be given to the main elements of such a strategy, including the policy and institutional implications, with a view to contributing to the identification of policy options, at both national and international levels, to enhance the role of domestic enterprises in development and in the global economy. Discussion on this issue will be facilitated by exchange of relevant experience. Particular reference will be made to (i) the role of government-private sector dialogue in promoting enterprise development; (ii) measures of support for fostering the creation, development, efficiency, competitiveness and internationalization of enterprises, particularly SMEs, including through the establishment of enterprise linkages, both domestic and international, and issues of interrelationship between enterprise development and technology; and (iii) measures to address the effects of structural adjustment policies on enterprise development.

4. Services infrastructure for development and trade efficiency assessment

The primary role of UNCTAD in this sector is to assist developing countries, particularly the least developed countries, and countries in transition, in generating trade-supporting services such as customs, transportation, banking and insurance, telecommunications or business information which are adapted to their particular requirements. Several of these areas were also identified by the United Nations International Symposium on Trade Efficiency held at Columbus, Ohio, in 1994, as being able significantly to improve participation in international trade (especially of weaker and small players). Within each of these sectors, the Commission can contribute to identifying priorities among the relevant policy issues and practical measures for a rapid enhancement of the objectives of trade efficiency worldwide, with special attention to the least developed countries. In this context, the Commission will be in a position to examine the possibility of inviting experts to meet and address sectoral and cross-sectoral issues relevant to the follow-up of the United Nations International Symposium on Trade Efficiency. Based on the outcome of this work and that of the Commission itself, it will then be the Commission's responsibility to identify and pursue the policy opportunities raised by the Trade Efficiency Assessment exercise called for by UNCTAD IX. The Commission will take into account the close cooperation between UNCTAD, the Economic Commission for Europe (ECE), ITC and other relevant international organizations on these issues. An area of particular and immediate importance to most developing countries and economies in transition is that of transit, in which the practical experience acquired by UNCTAD (through programmes like the Advance Cargo Information System (ACIS) and the Automated System for Customs Data (ASYCUDA) and its work on corridor agreements), as well as the availability of new technologies, represents a capital that could be brought to rapid fruition. It is

proposed that the Commission convene a first expert meeting to define the avenues and tools required to simplify the implementation of transit agreements.

5. Provisional agenda for the second session of the Commission and any necessary preparation through expert meetings.

6. Other business.

7. Adoption of the report of the Commission.

Annex IV

MEMBERSHIP AND ATTENDANCE*

1. The following States members of UNCTAD, members of the Board, were represented at the session:

Algeria
Argentina
Australia
Austria
Bangladesh
Belarus
Belgium
Bhutan
Bolivia
Brazil
Bulgaria
Burundi
Cameroon
Canada
Chile
China
Colombia
Costa Rica
Côte d'Ivoire
Croatia
Cuba
Cyprus
Czech Republic
Democratic People's Republic of Korea
Denmark
Ecuador
Egypt
El Salvador
Ethiopia
Finland
France
Germany
Ghana
Greece
Honduras
Hungary
India
Indonesia
Iran (Islamic Republic of)
Ireland
Israel
Italy
Jamaica
Japan
Kenya
Libyan Arab Jamahiriya
Luxembourg
Madagascar
Malaysia
Malta
Mauritius
Mexico
Mongolia
Morocco
Myanmar
Namibia
Nepal
Netherlands
Nicaragua
Nigeria
Norway
Pakistan
Panama
Peru
Philippines
Portugal
Republic of Korea
Romania
Russian Federation
Saudi Arabia
Senegal
Sierra Leone
Slovakia
Slovenia
South Africa
Spain
Sri Lanka
Sudan
Sweden
Switzerland
Syrian Arab Republic
Thailand
The former Yugoslav Republic of Macedonia
Trinidad and Tobago
Tunisia
Turkey
Uganda
Ukraine
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Venezuela
Viet Nam
Yemen
Zambia

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* For the list of participants, see TD/B/EX(13)/INF.1.

2. The following members of UNCTAD, not members of the Board, were represented as observers at the session:

Comoros
Holy See
Lithuania

3. The following bodies were represented at the session:

United Nations Environment Programme
International Trade Centre UNCTAD/WTO

4. The following specialized agencies and related organizations were represented at the session:

International Labour Organization
Food and Agriculture Organization of the United Nations
International Monetary Fund
International Telecommunication Union
World Intellectual Property Organization
United Nations Industrial Development Organization
World Trade Organization

5. The following intergovernmental organizations were represented at the session:

Arab Labour Organization
European Community
Organization of African Unity
International Organization for Migration

6. The following non-governmental organizations were represented at the session:

General category

International Chamber of Commerce
International Confederation of Free Trade Unions
Lutheran World Federation
World Confederation of Labour
World Federation of United Nations Associations
Women's International League for Peace and Freedom